

INTERNSHIP REPORT  
On  
COMPARATIVE ANALYSIS OF HUMAN RESOURCE MANAGEMENT AMONG THREE LEADING  
COMPANIES IN BANGLADESH

SUPERVISED BY:

PROFESSIONAL SUPERVISOR

MR. MD. ABUL KALAM NOWSHAD

Assistant Manager, Marketing Services

ACI Seed, ACI Limited

ACADEMIC SUPERVISOR

ASHEKA MAHBOOB

Lecturer, BRAC Business School

BRAC University

PREPARED BY:

SADID MAHMUD

ID: 10204075

BRAC Business School

BRAC University

Date of Submission

2<sup>nd</sup> August, 2016

## **Letter of Transmittal**

2<sup>nd</sup> August, 2016

Asheka Mahboob  
University Lecturer  
BRAC Business School  
BRAC University

### **Subject: Submission of Internship Report**

Dear Madam,

This is my great pleasure to submit the internship report for BUS400 course requirement. The title of the report is 'Comparative Analysis of HRM among three leading companies in Bangladesh'.

I am fortunate enough that I have got the opportunity to work with them at their Business Department to learn their business process and procedure effectively.

I have put my best effort to make this report a successful one. It has been joyful and enlightening experience for me to prepare this report. However this has been obviously a great source of learning for me to help me conduct similar types of studies in the future.

I would to express my sincere gratuity to you for your kind guidance and suggestions in preparing the report. It would be my immense pleasure if you find this report useful and informative to have an apparent perspective on the issue. I shall be happy to provide any further explanation regarding this report if required and please inform me if you have any query on this report or any other relevant matters.

Sincerely Yours,

Sadid Mahmud  
ID: 10204075  
BRAC Business School  
BRAC University

## **Acknowledgement**

This report will not be accomplished without the generous contributions of any individuals and organizations. I am very much grateful to them for their unlimited help and support.

Above all, I express my gratitude to the Almighty, who aided me with strength, gave me wisdom and patience to complete this report.

In addition, I would like to express my gratitude and wholehearted respect to Mrs. Asheka Mahboob, Lecturer of BRAC Business School who is my internship supervisor, for guiding me throughout this report and giving me the opportunity to present this report. I would specially like to thank her for being supportive the whole time and for her continuous encouragement, inspiring guidelines, valuable suggestions, constant help for the report.

I am also extremely grateful to everyone at ACI Limited for making my internship period easy, fun, interesting and most importantly for giving me the opportunity to gain valuable insights regarding the way a big organization operates.

Last but not the least; I would like to thank Mr. Abul Kalam Nowshad (Asst. Manager, Marketing Service), Kazi Md. Taslim Uddin (Sr. Customer Relationship Officer), Mrs. Sadia Tanzim Zerin (Executive, Marketing Services) and Mr. Mahadi Hossain (Executive, Human Resource) who have assisted me a lot by giving me their valuable time and advice for the preparation of this report and also supervising me throughout my internship period.

Lastly I would like to take this opportunity to express my wholehearted gratitude to my fellow friends, near and dear ones who offered encouragement, information, inspiration and assistance during the exasperating period of collecting resources for the paper.

## EXECUTIVE SUMMARY

Human resource Management is very crucial for the success of any company, because the success of any organization depends on its Human Resource department. It is the heart of any organization. So in this competitive business world, the Human Resource department of any organization has to be well structured and strong formulated.

In this report, I want to find out a well-structured HRM process, which is very important for any organization in this changing business world. For this, I want to compare the HR process of ACI Ltd. with one multinational co. like Novartis (Bangladesh) Ltd. and one indigenous co. name as Square.

By interviewing, I want to know about the recruitment and selection process, training method, performance appraisal and employee benefit of the concerned three renowned companies. From which a standard HRM process bring out and give specific guidelines of operations of HRD with a vision to ensure quality policy and maintain the expected standards of operations of any organization.

The recruitment processes of ACI Limited starts from line manager/dept. head and end to the Managing Director. Through HRD both internal and external factors influence their recruitment process. The co. mostly recruits their employees from external sources like advertising, employment agency. The recruitment processes of Square starts from line manager and end to the MD, as like as ACI Limited. No factors can affect their recruitment process. The external sources are very effective in recruitment such as advertising, employment agencies and campus visit. The recruitment processes of Novartis (Bangladesh) Ltd. starts from line manager and end to the HRD. The internal factors influence their recruitment process. They recruit the employees from both internal and external sources. The selection procedure of ACI, Novartis and Square more or less are same. They use written test, IQ test, and interview and salary negotiation.

ACI Ltd. measures their employee performance by Balance Score Card or Action Plan for this the co. uses the method of MBO and 360-degree evaluation. By Job Description Square measure their employee performance and by the method of MBO the co. acquire self-assessment in their organization. Novartis also measure their employee performance by task oriented and behavior oriented way. MBO, 360-degree feedback and SMART are also the method of measuring employee performance in Novartis.

The co. provides benefit such as gratuity, provident fund, medical facility, festival bonus, loan facility, annual leave, etc. These facilities more or less are same in the concerned three organizations, but their procedure is different.

From the comparison of ACI Ltd. with Square and Novartis I can find out some strengths and weaknesses which are-

- The recruitment planning is well structured in ACI Ltd. than Square and Novartis.
- The recruitment planning of ACI Ltd. is very strong than Square and Novartis, but the procedure is lengthy.
- The selection procedure is well structured in the concerned three companies.
- The performance appraisal method i.e. BSC and 360-degree evaluation are very effective in ACI Ltd. whereas MBO in Square and 360-degree evaluation in Novartis. Communication gap exists in the concerned three companies.
- Though employee benefit is not so good in ACI Ltd. as like as Square and Novartis. But their medical facility and annual leave are well than other two companies.

*To overcome the weakness of ACI Ltd. some recommendations are given-*

- The co. has to reduce the time length to recruit employees.
- The co. has to go campus visit for employee recruitment.
- The co. has to reduce the communication gap.
- The employee benefits of ACI Ltd. have to be updated.

## TABLE OF CONTENT

|  | Page Number |
|--|-------------|
| Letter of Transmittal  | 02          |
| Acknowledgement  | 03          |
| Executive Summary  | 04          |
| <br>CHAPTER ONE  |             |
| INTRODUCTION   | 09-10       |
| 1.01 Origin of the Report  | 09          |
| 1.02 Objective of the Report   | 09          |
| 1.03 Methodology   | 09          |
| 1.04 Scope of the Report   | 10          |
| 1.05 Limitations   | 10          |
| <br>CHAPTER TWO  |             |
| COMPANY PROFILE (ACI LIMITED)  | 11-19       |
| [Source: <a href="https://www.aci-bd.com/">https://www.aci-bd.com/</a> ]   |             |
| 2.01 Company Address   | 11          |
| 2.02 Strategic Business Units  | 11          |
| 2.03 Subsidiaries  | 11          |
| 2.04 Financials (Year Ending December 2015)  | 11          |
| 2.05 Background of the Company   | 11          |
| 2.06 Important dates and milestones of ACI Limited   | 12          |
| 2.07 Mission   | 12          |
| 2.08 Vision  | 12          |
| 2.09 Values  | 13          |
| 2.10 Quality Policy  | 13          |
| 2.11 Major Businesses of ACI Limited   | 14          |
| 2.12 Agribusinesses  | 14          |
| 2.13 Details about ACI Seeds   | 14          |
| 2.14 Subsidiaries of ACI Limited   | 15          |
| 2.15 Support Function of ACI Limited   | 16          |
| <br>COMPANY PROFILE (SQUARE)   | 19-20       |
| [Source: <a href="http://www.squarepharma.com.bd/">http://www.squarepharma.com.bd/</a> , <a href="http://career.squarepharma.com.bd/">http://career.squarepharma.com.bd/</a> ] |             |
| 2.01 Introduction  | 19          |

|                      |    |
|----------------------|----|
| 2.02 Company Vision  | 20 |
| 2.03 Company Mission | 20 |
| 2.04 Objective       | 20 |

## COMPANY PROFILE (NOVARTIS) 20-21

[Source: <https://www.novartis.com/>]

|  |    |
|--|----|
| 2.01 Introduction  | 20 |
| 2.02 Four divisions  | 20 |
| 2.03 Novartis means "new skills"                             | 21 |
| 2.04 Unique positioning among major Pharmaceutical Companies | 21 |
| 2.05 Purpose   | 21 |
| 2.06 Aspirations   | 21 |

## CHAPTER THREE

### HUMAN RESOURCE DEPARTMENT OF ACI LIMITED 22-24

[Source: <https://www.aci-bd.com/>]

|                        |    |
|------------------------|----|
| 3.01 Purpose           | 22 |
| 3.02 Scope             | 22 |
| 3.03 Policy for change | 23 |
| 3.04 Some Definitions  | 23 |

## CHAPTER FOUR

### COMPARATIVE ANALYSIS 25-44

|                                      |    |
|--------------------------------------|----|
| 4.01 Recruitment Procedure           | 25 |
| 4.02 Selection Procedure             | 28 |
| 4.03 Performance Appraisal Procedure | 32 |
| 4.04 Employee Benefit                | 37 |

## CHAPTER FIVE

### FINDINGS 45-47

|                            |    |
|----------------------------|----|
| 5.01 Recruitment Process   | 45 |
| 5.02 Selection Procedure   | 45 |
| 5.03 Performance Appraisal | 46 |
| 5.04 Employee Benefit      | 47 |

## CHAPTER SIX

### RECOMMENDATION 48-49

|                            |           |
|----------------------------|-----------|
| 6.01 Recruitment Process   | 48        |
| 6.02 Selection Procedures  | 48        |
| 6.03 Performance Appraisal | 48        |
| 6.04 Employee Benefit      | 48        |
| <br>BIBLIOGRAPHY           | <br>50-50 |
| <br>APPENDIX               | <br>51-53 |



## INTRODUCTION

### ***1.01 Origin of the Report:***

The purpose of this report is to get an exposure to the real world situation of Human Resource Management. This study will give me an opportunity to gather experience how the Human Resource Management process is actually operated in an organization. In order to achieve this objective I have chosen ACI Limited to conduct my study.

ACI Limited is a very popular company in the private sector and it has a number of strategic business units such as Pharmaceuticals, Consumer Brands, Agribusinesses: Crop Care and Public Health, Animal health and subsidiaries-ACI Trading Limited, ACI Formulations Limited, Apex Leather Crafts Limited, and ACI Salt Limited. But I am not going to cover the entire Human Resource Management of ACI Limited. I will focus my study on the comparison of Human Resource Management of ACI Limited with the Human Resource Department of one national and multinational company like Square Group and Novartis (Bangladesh) Ltd.

### ***1.02 Objective:***

The primary objective of this report is to fulfill a part of my BBA Program. The secondary objective of my work is to gain practical knowledge about Human Resource Management process in an organization. However I am working on Customer Relationship of ACI Limited but I will bring out strengths and weaknesses of the HRM process of ACI Limited to achieve organizational goals based on collected data, professional's words and my academic knowledge. For this reason, I want to compare the process of Human Resource Management of ACI Ltd with one national and one multinational company, which will help me to find out a good Human Resource Management process for any organization of Bangladesh.

### ***1.03 Methodology:***

The report is based on primary and secondary information. To collect this primary information I have prepared a questionnaire, which will help in face-to-face interview. The head of Human Resource Department of selected organizations have been interviewed to collect primary

information and secondary information have been collected from the Web site of ACI Ltd. Square and Novartis and annual report of the concerned three companies.

After collecting this information, I have prepared the report, which gives the detail information of HRM (i.e. the process of recruitment, selection, employee performance and benefit.) for an organization.

#### ***1.04 Scope of the Report:***

The scope of the report may be stated as under:

- ❖ The report covers the Human Resource Department of ACI Limited. But it doesn't cover the whole HRD. It only covers the recruitment, selection, performance appraisal and employee benefit.
- ❖ The report compares the HRD of ACI Limited with the HRD of Square and Novartis.
- ❖ So it also covers the HRD of Square and Novartis.
- ❖ The report finds out the strengths and weaknesses of HRD of the companies.
- ❖ And it is also recommended to overcome the weakness of the co.

#### ***1.05 Limitations:***

Some of the limitations are faced while preparing this report is mentioned here:

- Relevant papers and documents were not available sufficiently.
- It was little difficult to get the actual information. In many cases the questionnaire had to be explained elaborately to the respondent. Much concerned was raised by the respondents such as why the study is being undertaken, what would you reveal, are there any risk involved in answering this questions etc.
- As the officers were very busy with their daily work, they could provide very little time.
- This report will not cover the whole Human Resource Department of ACI Limited. It will only cover the recruitment, selection, employee performance and benefit of ACI Limited.

## COMPANY PROFILE

(ACI Limited)

### ***‘2.01 Company Address:***

Company Name: Advanced Chemical Industries Limited

Address: 245 Tejgaon Industrial Areas, Dhaka 1208

Phone: 880 2 9885694, 880 2 9886029

Email: [info@aci-bd.com](mailto:info@aci-bd.com)

Web page: [www.aci-bd.com](http://www.aci-bd.com)

### ***2.02 Strategic Business Units:***

- Pharmaceuticals
- Consumer Brands
- Agribusinesses:
  - Seed
  - Crop Care and Public Health
  - Animal Health
  - Motors
  - Fertilizer

### ***2.03 Subsidiaries:***

- ACI Trading Limited, ACI Agrochemicals, ACI Motors Ltd, ACI Logistics Ltd
- ACI Formulations Limited, Creative Communication Ltd, ACI Consumer Care, ACI Consumer Electronics Ltd, ACI Healthcare Ltd.
- Apex Leather Crafts Limited, Premiaflex Plastic Limited, ACI Godrej Agrovate Ltd.
- ACI Salt Limited, ACI Pure Flour Limited, ACI Foods Limited, Tetley ACI Ltd

### ***2.04 Financials (Year Ending December 2014)***

- Authorized Capital: Taka 500 Million
- Paid Up Capital: Taka 344 Million
- Number of Employees: 6930 (Six thousand Nine hundred Thirty)

### ***2.05 Background of the Company:***

ACI was established as the subsidiary of Imperial Chemical Industries (ICI) in the East Pakistan in 1968. After independence the company has been incorporated in Bangladesh on the 24<sup>th</sup> of January 1973 as ICI Bangladesh Manufacturers Limited and also as Public Limited Company. This company also obtained listing with Dhaka Stock Exchange on 28<sup>th</sup> December 1976 and its first trading of shares took place of 9<sup>th</sup> March

1994. Later on 5<sup>th</sup> May 1992, ICI divested 70% of its shareholding to local management. Subsequently the company was registered in the name of Advanced Chemical Industries Limited. Listing with Chittagong Stock Exchange was made on 22<sup>nd</sup> October 1995.

Advanced Chemical Industries (ACI) Limited is one of the leading conglomerates in Bangladesh, with a multinational image. ACI is a Public Limited Company with an approximate number of 19653 shareholders. The company has diversified into five major businesses. Besides these, the company has a large list of international associates and partners with various trade and business agreements.

### ***2.06 Important dates and milestones of ACI Limited***

| <b>Date</b>                          | <b>Event</b>   |
|--------------------------------------|--|
| <b>1968</b>                          | Imperial Chemical Industries Pakistan Manufacturers Limited (ICI Pakistan) was established in the East Pakistan.   |
| <b>24<sup>th</sup> January, 1973</b> | Incorporation of ICI Bangladesh Manufacturers Limited.   |
| <b>24<sup>th</sup> January, 1973</b> | Commencement of Business.  |
| <b>5<sup>th</sup> May, 1992</b>      | Imperial Chemical Industries Pakistan Manufacturers Limited divested 70% of its shareholding to local management.  |
| <b>5<sup>th</sup> May, 1992</b>      | The name of the company changed to Advanced Chemical Industries Limited from ICI Bangladesh Manufacturers Limited. |
| <b>9<sup>th</sup> March, 1994</b>    | Listed with Dhaka Stock Exchange.  |
| <b>22<sup>nd</sup> October, 1995</b> | Listed with Chittagong Stock Exchange.   |

### ***2.07 Mission***

ACI's mission is to enrich the quality of life of people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence through world class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

### ***2.08 Vision***

- Endeavor to attain a position leadership in each category of its business.
- Provide products and services of high and consistent quality ensuring value for money to its customers.
- Attain a high level of productivity in all its operations through effective utilization of time and adoption of appropriate technology.

- Contribute to the personal development, encourage empowerment and recognize innovation of its incumbents.
- Ensure superior return on investment through healthy and sustainable growth of the company.
- Encourage and the support qualitative improvement of the services of its distributors and suppliers.
- Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence.

## **2.09 Values**

- Uncompromising in quality
- Fairness in dealing
- Professional in operation
- Customer focus
- Transparency
- Continuous improvement

ACI strictly maintains these values by following international standards current Good Manufacturing Practice (cGMP) guidelines and standards recommended by WHO, standard operating procedure (SOP), Quality Policy, Environmental Policy, Global Compact, Endorsement and by using Friendly Corporate Culture, Quality Management System (SQM), Update technology, Information technology, Distribution channel to fulfill company mission and vision as an organization development.

## **2.10 Quality Policy**

ACI's mission is to achieve business excellence through quality by understanding, accepting, meeting and exceeding customer expectations.

ACI follows international standards on Quality Management System to ensure consistent quality of products and services to achieve customer satisfaction. ACI also meet all national and regulatory requirements relating to its current businesses and ensure that current good Manufacturing Practice (cGMP) as recommended by World Health Organization is followed for its pharmaceutical operations.

The management of ACI commits itself to quality as the prime consideration in all its business decisions. All employees of ACI must follow documented procedures to ensure compliance with quality standards.

The pool of human resources of the company will be developed to their full potential and harnessed through regular training and their participation in seeking continuous improvement of work methods.

### **2.11 Major Businesses of ACI Limited:**

ACI Group of companies has been working in Bangladesh since the country achieved its independence. Currently, they are involved in the pharmaceuticals, agribusiness and consumer products industries. Since the birth of Bangladesh they have been working tirelessly to provide the best quality product for the people of this country and made sure that the people are getting it at a very reasonable price. They have trained countless young people of the country and made them into assets. So far, ACI has been able to progress a lot in their goal of creating a productive Bangladesh.

ACI is mainly familiar in our country for the ACI Aerosol, Savlon, ACI Salt, but ACI is producing numerous diversified products and recently has started their journey in service industry also. ACI has diversified into four main strategic business units which include Pharmaceuticals, Consumer Brands, Agribusinesses and Retail Chain.

### **2.12 Agribusinesses:**

ACI agribusiness is the largest integrator in Bangladesh in Agriculture, Livestock and Fisheries and deals with crop protection, seed, fertilizer, Agrimachineries, and animal health products. These businesses have glorified presence in Bangladesh.

CC & PH supplies crop protection chemicals; Seed supplies Hybrid Rice, vegetables and Maize seeds, Fertilizer supplies Micronutrient and Foliar fertilizer, Agrimachineries supplies Tractors, Power Tiller and Harvester and Animal Health supplies high quality Nutritional, Veterinary and Poultry medicines and vaccines.

ACI Agribusiness is having strong partnership with national and international R & D companies, universities and research institutions. Before introducing any product, it is elaborately tested in the laboratory and farmers field.

ACI provides solution to the farmers through a large team of scientists and skilled professionals.

### **2.13 Details about ACI Seeds:**

ACI Seed is one of the foremost businesses under ACI Agribusiness. ACI Seed aims to ensure high-yielding, hybrid and best quality seeds for production of the best quality crops of our country. ACI has already gained the trust of the farmers by marketing its high yielding rice seeds, hybrid rice seeds and hybrid vegetables seeds. To ensure quality of seeds, ACI has a team of expert agriculturists at Rural Development Academy (RDA) of Bogra, who are constantly working on producing quality seeds by field research and imports them to our farmers. Besides this, it also indulges in crop distribution, agricultural advice sharing and farmers meeting along with various national and international agricultural research institutes and universities.

Products of ACI Seed are given below\_

Vegetables:

- Ash Gourd
- Bitter Gourd
- Bottle Gourd
- Cabbage
- Cauliflower
- Carrot
- Chili
- Coriander
- Country Bean
- Cucumber
- Eggplant
- Papaya
- Pumpkin
- Reddish
- Tomato, etcetera

Field Crops:

- Bean
- Hybrid Rice
- Maize

The major rice seeds produced by ACI seed are BRRI 28 and BRRI 29. The seeds are produced by contract farming. The contracted farmers first produce the seeds in Lalmonirhaat, Pirgonj, Pirgacha, Thakurgaon and Kurigram, and then the seeds are taken to the local warehouses for primary processing. After that, the primarily processed seeds are taken to the central warehouse and there the quality testing is performed. When it is done with quality testing, the tested seeds are distributed to the retailers, and then finally customers buy those rice seeds from the nearest retailers. This is how the whole function is operated in selling seeds.

#### **2.14 Subsidiaries of ACI Limited:**

| <b>Sl.</b> | <b>Company Names</b>        | <b>Activities</b>   |
|------------|-----------------------------|---|
| <b>1</b>   | ACI Formulations Limited    | Manufacturing and Marketing of number of Agrochemical and consumer products |
| <b>2</b>   | Apex Leather Crafts Limited | Letting out property to ACI Limited   |

|    |                                 |   |
|----|---------------------------------|---|
| 3  | ACI Salt Limited                | Manufacturing and Marketing of edible packed salt   |
| 4  | ACI Pure Flour Limited          | Processing, Packaging and Marketing of Wheat flour products   |
| 5  | ACI Foods Limited               | Manufacturing and Marketing different types of spices and other food products   |
| 6  | Creative Communications Limited | Managing media solutions and similar services for different clients including television commercials and other advertisement and promotion related activities                                 |
| 7  | Premiaflex Plastics Limited     | Manufacturing and Marketing of Plastic products, Flexible printing and other ancillary business associated with plastic and flexible printing   |
| 8  | ACI Motors Limited              | Business of buying, selling, importing and assembling of vehicles of both agricultural and non agricultural use including supplying spare parts and providing service facilities for vehicles |
| 9  | ACI Logistics Limited           | Operating retail chain stores across the country  |
| 10 | Agro Chemicals Limited          | Manufacturing, Formulating and Packaging of Pesticides, Fertilizers, Plant Nutrients, Animal Food and other nutrients products  |
| 11 | Flyban Insecticides Limited     | Manufacturing and selling of Mosquito Coil  |

## **2.15 Support Function of ACI Limited**

### Human Resource

ACI HR works with a vision for creating a work environment to foster creativity, innovation and productivity for achieving business excellence through dynamic and dedicated people. They believe that Human Resources are the most important asset to the organization. They are keen to identify the training needs and provide training accordingly to develop the knowledge and skills of their human resources. Thought Leadership and Team building meetings are conducted on a regular basis. They provide an enabling working environment to unleash the full potential of the employees and a performance based career progression. They have a value based culture where dignity of the individual is the highest priority. They believe in empowerment and delegation.



ACI HR organizes different social events like Family day, Cricket Tournament, Badminton Tournament etcetera with an objective to strengthen the bond among the employees.

ACI practices modern HR policies and procedures for Recruitment and Selection, Manpower Planning and Succession Planning. They use a combination of qualitative aspects and balanced score card for performance appraisal.

ACI have attractive policies regarding car loan, gratuity, provident fund and hospitalization. They offer performance bonus, leave fare assistance, festival bonus and workers profit participation fund during different times within a year.

ACI is a place to learn, grow and contribute for improving the quality of life of people.

#### Finance and Planning:

ACI Finance and Planning function is the nerve centre of the conglomerate. Being the nature of the structure, ACI Finance and Planning plays the centralized role in all kinds of financial and accounting services. Meaning it handles financial and accounting matters of not only ACI Limited but also all of its subsidiaries supporting the mission and vision of the group. The major areas of its activities include:

##### Corporate Finance

- Treasury
- Insurance and Risk Management
- Costing
- Credit Management
- Accounts Payable Management
- General accounting
- Taxation
- New Business Management

ACI Finance is pioneering in introducing and implementing state of the art financial tools like Electronic Banking, Integrated Accounting Systems, better foreign exchange management through Hedging, Derivatives etcetera. To allow them to excel in their performance ACI Finance has strong rapport with all the international and major local banks, non financial institution including leasing companies.

Driving force of Finance is their motto which is “to become most value adding business partner.” To drive this vision, ACI Finance proactively helps business in providing right and timely information, analysis, budgetary management and participating in cross functional team.

The planning function not only compiles and coordinate the company plan of the conglomerate but also instrumental in feeding the CEO and top team different macro and micro economic situation of the country as well as world in large. These in depth analyses help the company to make correct and pragmatic decision as a part of strategic initiative.

The new business development area is one of the most exciting areas in ACI. Here they keep a track on potential areas of growth being envisaged in the country, these are followed by rigorous analysis and subsequently matching these with ACI's competencies. This allows ACI's growth engine to get enough fuel to take its course forward.

#### Commercial Department:

Commercial Department of ACI is one of the most vital functional departments of the company which deals with supply chain activities of ACI. In order to keep all the businesses running flawless, the dedicated and hardworking employees of this department maintain a good liaison with the customers, both national and international. The commercial department is consistently achieving the best prices for the products that they purchase, ensuring enormous amount of cost saving for the company. It offers invincible professionalism and expertise in the entire commercial activities of ACI.

#### MIS Department:

MIS department of ACI ensures the overall IT related supports for the company. This department manages a smooth operation of software's, hardware trouble shooting and business databases related to sales and inventory. The MIS department consists of knowledgeable and skilled programmers and software developers. MIS provides customized report and data analysis to the management to facilitate effective decision making.

#### Training:

Training activities of ACI is focused on transforming its human capital to achieve business excellence by increasing the bandwidth of ACI workforce. To win present and future challenges they identify knowledge and skill sets that are pivotal factors and design a variety of programs so that achieving such success by using creativity, agility, flexibility, skill diversity and IT technology becomes a custom. They analyze external environment for comparing industry practices, benchmark best practices and implement competency management programs to offer outstanding services to their valued customers. Enormous and spontaneous shared efforts are made with the strategic intent of achieving excellence in delivering customized services to meet the ever changing development needs of the human resources. They design strategic learning

roadmap consisting tailored learning strategies for each of their employee clusters of the business divisions, based on a shared vision, to make them a proud member of a learning organization. They adopt best technology based modules, methodologies, facilities, in house and external faculties/trainers to ensure the best return from human development investments. Corporate values of ACI are embedded in the process of designing, developing and delivering each activity of training department throughout the organization.

#### Distribution Department:

The company maintains strategically located sales centers in nineteen different locations across the country. It has developed an advanced distribution system through it's more than three hundred skilled and trained manpower and a large fleet over eighty vehicles. The distribution system is capable of handling continuing volume of diverse range of products from the various businesses.

The company's distribution centers are highly streamlined, computerized and automated. They are capable of maintaining a cold chain for some specialized range of products, such as vaccines and insulin. The combination of this advanced function and multidimensional capabilities made it possible to handle hundreds of products efficiently.

## **COMPANY PROFILE**

(SQUARE PHARMACEUTICALS LTD. BANGLADESH)

### ***'2.01 Introduction***

Square today symbolizes a name- a state of mind. But its journey to the growth and prosperity has been no bed of roses. From the inception of 1985, it has today burgeons its one of the top line conglomerates in Bangladesh. Square Pharmaceuticals Ltd. the flagship company is holding the strong leadership position in the Pharmaceutical industry of Bangladesh. Since 1985 and is now on its way to becoming a high performance global player.

Square Pharmaceuticals Ltd. is the largest Pharmaceutical Company in Bangladesh and it has been continuously in the 1<sup>st</sup> position among all national and multinational companies since 1985. It was established in 1958 and converted into a public limited co. in 1991. The sales turnover of SPL was more than Tk. 5 Billion (US \$ 90 million) with about 15% market share, (April 2003-March 2004) having a growth rate of about 16%.

## **2.02 Company Vision**

Square see business as a means to the well being of the investors, employees and the society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

## **2.03 Company Mission**

The mission is to provide quality & innovative healthcare relief for people, maintain stringently ethical standard in business operation also ensuring benefit to the shareholders and other stakeholders.

## **2.04 Objective**

The objectives are to conduct transparent business operations within the legal & social frame work with aims to attain the mission reflected by company's vision'.

(SQUARE PHARMACEUTICALS LTD. BANGLADESH)

## **COMPANY PROFILE**

(NOVARTIS)

### **'2.01 Introduction**

Novartis is a world leader in offering medicines to protect health, cure disease and improve well-being. The goal is to discover, develop and successfully market innovative products to treat patients, ease suffering and to enhance the quality of life. The company also seeks to provide a return to shareholders that reflects the performance and to adequately reward those who invest ideas and resources in the company.

### **2.02 Four divisions**

Created in 1996 through the merger of Ciba-Geigy and Sandoz, Novartis is currently organized into three divisions:

- Pharmaceuticals, which comprises the activities in innovation-drive prescription medicines
- Sandoz, which comprises the activities in generic prescription drugs
- Consumer Health, which comprises activities in OTC, Animal Health, Medical Nutrition, Gerber (formerly Infant & Baby) and CIBA Vision
- Vaccines and Diagnostics is a new division (April 2006) focused on the development of preventive treatments and tools. The division has two business

units formed following the recent completion of the acquisition of Chiron Corporation: Novartis Vaccines, and Chiron, the blood testing and molecular diagnostics unit.

### ***2.03 Novartis means "new skills":***

The name, derived from the Latin novae artes, means "new skills" and reflects the commitment to focus research and development to bring new health-care products to the patients and physicians that we serve.

### ***2.04 Unique positioning among major Pharmaceutical Companies:***

Novartis is the only company with leadership positions in both patented and generic pharmaceuticals. We are strengthening our medicine-based portfolio, investing in strategic growth platforms:

- Innovation-driven prescription medicines
- Cost-effective and high-quality generic medicines
- Human vaccines that address public health and therapeutic needs

### ***2.05 Purpose:***

The company wants to discover, develop and successfully market innovative products to cure diseases, to ease suffering, and to enhance the quality of life and also want to provide a shareholder return that reflects outstanding performance and to adequately reward those who invest ideas and work in the company.

### ***2.06 Aspirations:***

The company wants to be recognized for having a positive impact on people's lives with products, meeting needs and even surpassing external expectations. The company strives to create sustainable earnings growth, ranking in the top quartile of the industry and securing long-term business success and want to build a reputation for an exciting workplace in which people can realize their professional ambitions. The company strives for a motivating environment where creativity and effectiveness are encouraged and where cutting-edge technologies are applied. In addition the company wants to contribute to society through economic contribution, through the positive environmental and social benefits of the products, and through open dialogue with stakeholders'.

(NOVARTIS)

## **HUMAN RESOURCE DEPARTMENT OF (ACI Limited)**

### ***‘3.01 Purpose:***

The organization believes success in its mission depends on the collective efforts of a diverse workforce comprising of individuals committed to excellence in service and performance. It is a comprehensive policy and procedure that combines current best practice approaches with legal and ethical considerations, to efficiently guide the management of human resource in ACI Limited.

The major purpose is to introduce a uniform organizational policy and procedure related to the employees of ACI Limited. It will give specific guidelines of operations of the human resource department with a vision to ensure quality policy, maintain the expected standards of operations of this organization.

It will also give a specific direction regarding the assessment, evaluation, reward system and long-term benefits of ACI Limited to the employees. It will give the employees to get a clear idea about the expected performance, which includes knowledge, skills and attitude of the employees of this organization. The employees will get a clear idea of their present status, growth path and value addition process in this organization. It will also provide a clear and distinctive behavioral guideline as well as code of conduct in operational perspective.

The human resource department is a central reference of employee relations and policies. Each policy is a guideline to be used with discretion, understanding, and management in the spirit in which the policy is written.

Under no circumstances are the statements contained in these policies to be considered a contract of employment or guarantee on the part of the organization.

### ***3.02 Scope:***

This policy meant to be used by the managers or supervisors but it belongs to all employees in ACI Limited. It covers the guidelines for all management staff and probationers regarding their recruitment and selection procedures and service conditions.

For unionized employees it will cover only the guidelines of recruitment and their service rules will be governed by their union agreement. For contractual employees the guidelines of recruitment and service conditions /rules will be governed by their contractual agreement.

### **3.03 Policy for change:**

Any department or functional head can propose change in this system in writing and forward to the Human Resource Department. The Human Resource Department will review the proposal and forward that proposal to the Managing Director along with the review. The Managing Director is the final authority to approve any change in this system. Under normal circumstances, Human Resource Department will review this system every two years and propose changes if required to the Managing Director.

The Human Resource policies share the progressive character of the company, providing foundation for a mutually supportive environment distinguished by equal opportunity and sound business practices and it is necessary to change these policies from time to time to reflect changes in the workforce, employment trends, economic conditions and legislation. However any changes in policy will be consistent with the organizations approach to:

- Employ talented individuals whose creativity and imagination will support and contribute to achieve the organization's mission.
- Communicate organizations standards and expectations.
- Value diversity
- Assure equal employment opportunity and a workplace where relationships are based on mutual respect.
- Treat all the employees in a professional, non-discriminatory manner.
- Provide safe, effective working condition and accommodations, and
- Provide competitive salaries and benefits.

### **3.04 Some Definitions:**

Permanent Employee:

- Those who are employed against any permanent position completed their probationary period successfully and governed by the organizations management staff standard service rules.

Probationary Period:

- Those who are employed against any permanent position and have not yet completed their probationary period.

Contractual employee:

- Those who are employed for a specified time period; governed by the contractual agreement with the specific individual and renewal of the contract is based on the future review and need for the job.

Casual Employee:

- Those who are employed against such jobs are casual in nature.

Unionized Employee:

- Those who are employed in a non-managerial permanent position and the service conditions are governed by the union agreement'.



## **COMPARATIVE ANALYSIS**

To find out the strength and weakness of Human Resource Management of ACI Limited, I want to compare the process of Human Resource Management of ACI Limited with one national and one multinational company/organization. For this, I have selected Square as a national and Novartis (Bangladesh) Limited as a multinational company. Because, these companies are working at the same platform and very well known. If I compare among these three companies, I will find out a good Human Resource Management process, which is very important for a company.

### ***4.01 RECRUITMENT PROCEDURE***

#### ***ACI Limited:***

In case of recruitment, whenever a position becomes vacant the head of the department or line manager examine the work which can be redistributed or not among the remaining staff.

If the position cannot be redistributed, then department head think about recruitment. To recruit new employees, the concerned department head will fill up the Staff Engagement Proposal Form and forward to the Human Resource Department. Then HRD will evaluate the proposal and forward to the Managing Director.

Managing Director is the sole authority to approve manpower for any business or function and this manpower is assessed as per the business requirement. After receiving the proposal from Managing Director the Human Resource Department can precede recruitment.

The recruitment process of ACI Limited is influenced by both internal and external factors, and this internal factors are strategic business planning, operational planning, human resource planning. The external factors are labor market and business environment, which are very important for recruitment of a company. If the company analyzes these factors before recruitment, the company will find out the requirement of their personnel those who are in the labor market.

For recruitment planning, a company should follow some steps, which are job analysis, time-lapse data and yield ratio, but ACI Limited follows only job analysis for their recruitment planning.

The company recruits the new employees from both internal and external sources, but the external sources mostly influence their recruitment process. The internal sources, which influence the recruitment process, are notice board circular, interns, CV Bank of HR and job rotation or transfer. The external sources are website of ACI Limited, newspaper advertisement, unsolicited applicant files, employment agencies.

### ***Square:***

Managing Director is the only sole authority to approve the recruitment or Engagement Proposal Form. No factors can affect/influence the recruitment planning of Square. Whenever a position becomes vacant or wants to expand the business, then the co. wants to recruit. When a position becomes vacant the department head wants to redistribute the work among the remaining staff or if the subordinate prepared for that position he/ she will be promoted. When it's not possible, the department head inform the HRD and then HRD starts the recruitment process. The HRD prepares Staff Engagement Proposal Form and the Managing Director approves it.

For recruitment, Square follows two steps of recruitment planning i.e. job analysis and yield ratio, which are very important for recruitment. The external sources of recruitment are mostly effective in Square. For non-executive position the company follows internal sources, which are notice board circular, interns, CV Bank of HR and job transfer. In case of emergency, the company follows CV Bank of HR but its percentage is very poor.

For executive post the company follows external sources, such as newspaper advertising. For executive managerial level (technical) the co. follows external sources like campus visit, head hunting/ employment agencies and field force.

### ***Novartis (Bangladesh) Limited:***

The recruitment procedure of Novartis (Bangladesh) Ltd. starts from the department head and to the HR department. Whenever a position becomes vacant the department head wants to recover it by the existing staff. Whenever it's not possible, they feel the need of recruitment and start the procedure. HRD is the main authority of recruitment.

The recruitment procedure of Novartis (Bangladesh) Ltd. is mostly influenced by internal factors, such as strategic business planning, operational planning and human resource

planning. The external factors such as legal environment, labor market and business environment cannot influence their recruitment. For good recruitment the company has to follow three steps of recruitment planning such as job analysis, time-lapse data and yield ratio. But the co. follows only job analysis for their recruitment planning. Both internal and external sources are effective for recruitment. The internal sources are notice board circular, interns, CV Bank of HR, job rotation or transfer. These sources are effective for non-executive post. For top-level management or executive post external sources are very effective such as newspaper advertising, website of the co. referrals and employment agencies.

If I compare the recruitment procedure of these three companies I will find out the following scenario-

### **COMPARISON OF RECRUITMENT PROCEDURES**

| <b>Factors/Attributes</b>            | <b>ACI Limited</b>   | <b>Square</b>                                 | <b>Novartis</b>  |
|--------------------------------------|--|---|--|
| <b>Responsibility of Recruitment</b> | Line Manager to HR Dept. to Managing Director                  | Line Manager to HR Dept. to Managing Director | Line Manager to HR Dept.                                       |
| <b>Most effective factors</b>        | Both internal & external factors                               | No factors can influence their recruitment    | Internal factor  |
| <b>Internal Factors</b>              | Strategic Business Planning, Operational Planning, HR Planning | —   | Strategic Business Planning, Operational Planning, HR Planning |
| <b>External Factors</b>              | Labor Market, Business Environment                             | —   | Don't influence external factor                                |
| <b>Steps</b>                         | Job Analysis   | Job Analysis, Yield Ratio                     | Job Analysis   |
| <b>Mostly effective source</b>       | External Sources   | External Sources                              | Both internal and external sources                             |

|                         |   |  |   |
|-------------------------|---|--|---|
| <b>External Sources</b> | Advertising,<br>Unsolicited<br>Applicant files,<br>Employment<br>Agencies | Advertising,<br>Employment<br>Agencies, Campus<br>Visit, Field Force | Advertising,<br>Employment<br>Agencies, Referrals                                 |
| <b>Internal Sources</b> | Notice Board<br>Circular, Interns, CV<br>bank of HR                       | Notice Board<br>Circular, Interns,<br>transfer, CV bank of<br>HR     | Notice board<br>circular, Interns, CV<br>bank of HR, Job<br>rotation and transfer |

#### **4.02 SELECTION PROCEDURE**

##### ***ACI Limited:***

Managing Director is the sole authority for any selection without any competitive examination otherwise the company uses some procedure of selection, such as written test, IQ test, interview, salary negotiation. Written test and IQ test are mandatory as a selection tool for junior management and non-managerial contractual position. The company follows three types of interview for personnel selection like structured interview, group interview and situational or behavioral interview. The type of interview process is varied according to the position. The HRD of the company classify this interview process among three categories such as junior management or non-managerial position, mid-level management and senior management.

For the selection of personnel the HRD of the company require some qualifications such as general intelligence, attainments, personality, performance etc. According to the HRD some assessment are important for selection i.e. the ability of leadership, organizing and planning, decision making, perception and analysis, adaptability, oral and written communication.

The HR department of the company negotiates the salary with suitable candidate whenever necessary. To select personnel the company follows interview-rating form, the candidate who earns maximum point is selected.

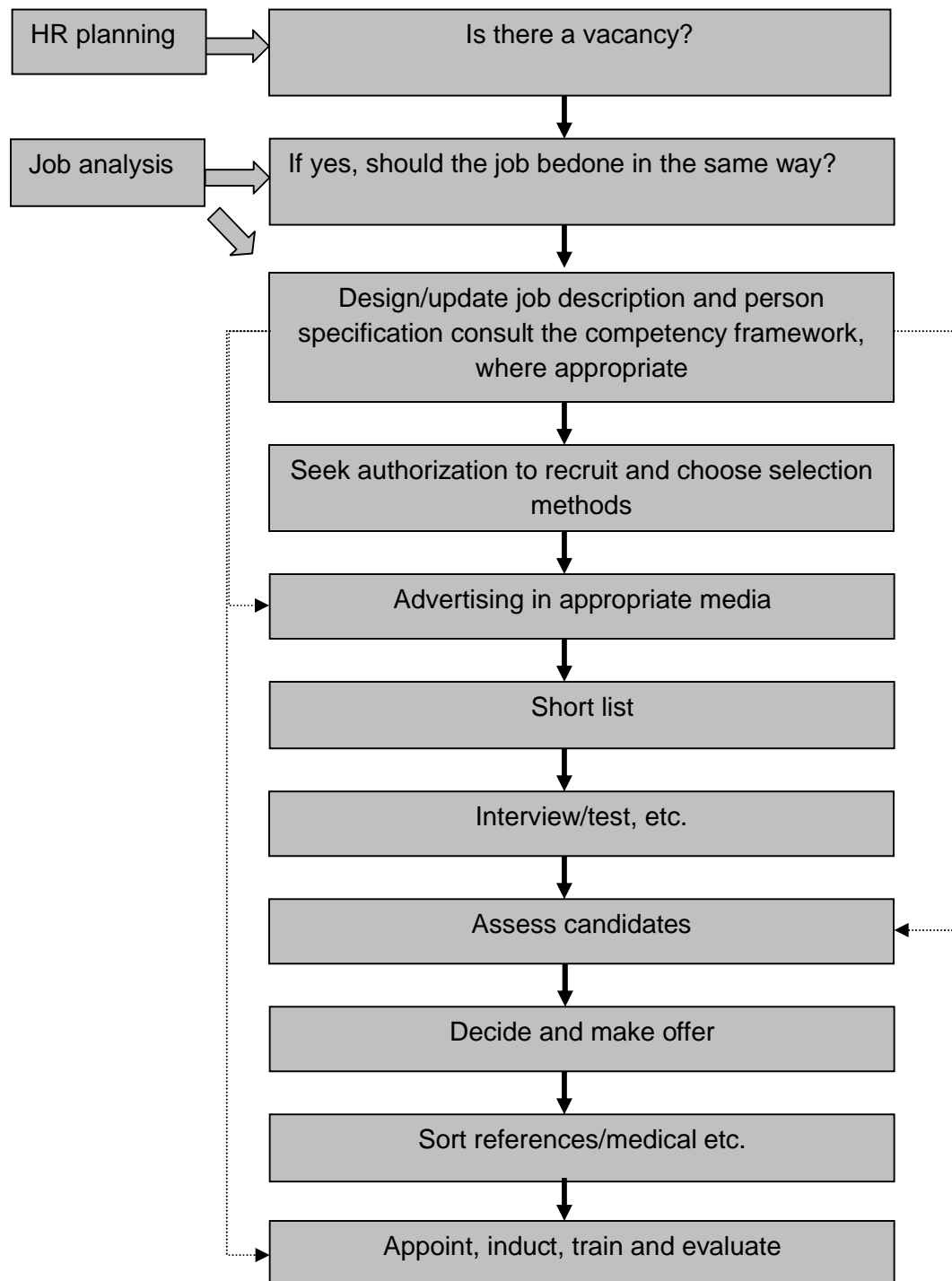
**Square:**

For employee selection, Managing director is the sole authority without any examination, but in other cases, the company follows two steps such as- written test and interview and these two steps are mandatory for employee selection.

The company doesn't follow structured interview or group interview as like as ACI Limited. They follow situation base interview. Their question criteria are selected which is based on the position. General intelligence and special aptitudes are required for personnel selection which are based on situation/position for executive position the company requires some assessment which are ability of leadership, ability to decision making, oral communication and written communication.

For selection HR dept. of the company use interview or papers and ranks the candidates point. The candidate who earns maximum point is selected. After the recruitment of selected candidate, the HR dept. justifies the performance and tests their medical fitness.

For the recruitment and selection Square uses the following procedure-



**Novartis (Bangladesh) Limited:**

Human Resource Dept. is the sole authority for employee selection. For the selection, dept. follows a procedure such as- written test, IQ test, and interview and salary negotiation. They don't follow any fixed interview process. Their question criteria are selected which is situation based. The HR Dept. requires some approaches such as- general intelligence, special aptitudes, personality, ability of leadership, decision making, adaptability, oral and written communication etc. And these approaches are examined on the basis of their positions. After recruitment the department justifies their performance. To recruit, the dept. negotiates the salary with suitable candidate whenever necessary.

**COMPARISON OF SELECTION PROCEDURE**

| <b>Factors/Attributes</b>                 | <b>ACI Limited</b>   | <b>Square</b>  | <b>Novartis</b>                                      |
|---|--|--|--|
| <b>Procedure of selection</b>             | Written test, IQ test, interview, salary negotiation                                 | Written test, interview  | Written test, IQ test, interview, Salary negotiation |
| <b>Types of interview</b>                 | Structured interview, group interview, situational or behavioral interview           | Selected questions criteria  | Situation based interview                            |
| <b>Rating Form</b>                        | Followed   | Followed   | Followed   |
| <b>Approaches</b>                         | General intelligence, attainment, special aptitudes                                  | Situation based  | Situation based                                      |
| <b>Types of tests</b>                     | Personality test, Performance test   | Personality test, Performance test, Written test                       | Situation based                                      |
| <b>Important assessment for executive</b> | Leadership, organizing and planning, interpersonal perception and analysis, decision | Leadership, decision making, oral communication, Written communication | Situation based                                      |

|  |   |  |  |
|--|---|--|--|
|  | making,<br>adaptability, oral<br>communication,<br>written<br>communication |  |  |
|--|---|--|--|

#### **4.03 PERFORMANCE APPRAISAL PROCEDURE**

##### ***ACI Limited:***

In the procedure of performance appraisal in ACI Limited HRD measures employee performance by two methods, one is MBO and another is 360-degree evaluation. By the method of MBO, HRD clearly defines the objectives of the work to be done by an employee and developing an action plan from which these objectives are to be achieved.

In Appraisal system of ACI Limited, the action plan focuses attention on certain targets on which special emphasis is needed and lists a few specific tasks that are to be accomplished.

Within the broad job description, two categories of actions can be identified at a given point in time. One is quantitative and another is qualitative. In quantitative one may list the targets that can be fixed in numbers and measured quantitatively. In the same manner, any job can be analyzed to determine what quantitative results are to be delivered in order to achieve success in the job. The second category of actions cannot be measured in numbers or are qualitative in nature.

The quantitative tasks will be measured on the basis of result achieved. The qualitative tasks will require judgment to determine the level of achievement.

Different levels of achievement on action plan tasks will be rated under 3 categories, namely W=Well Done, S=Satisfactory & U=Unsatisfactory.

Balance Score Card (BSC) is the process of measuring employee performance. In ACI Limited Balance Score Card is a strategic tool for the attainment of common goals.

By the Balance Score Card the objectives are collected and measured that is used to judge the achievement of such objectives and these objectives are clustered into four groups according to focus areas; Financial, Customer, Internal Process and Leading &



Growth. These objectives are the strategic goals that the company intends to reach within the one-year timeframe of the BSC and the employee's performances at the end of the year will be evaluated against the given targets. The HRD of the company exercise the BSC in an annual process, which starts after the strategies for the coming year are finalized and the budget is prepared.

The HRD thinks that BSC is a very effective tool of Performance Appraisal that is transparent and based on set objectives and standards, and they think that there is no obstacle of measuring employee performance, but there are some factors which affect employee performance evaluation process such as: quality of work, quantity of work, job knowledge, initiative, planning, cost control, relationship with peers, supervisors, public, client dept. subordinates and equal employment opportunity.

### ***Square:***

The performance Appraisal procedure of Square is based on job description. That means the HRD of the co. measures their employee performance by job description for annual evaluation. The job description of the company sets out the overall objectives of a job, where it fits in the organizational structure and the key results areas or principal accountabilities of shareholders, or the main task they have to carry out.

The HR Dept. of the co. follows only one method like MBO to measure employee performance; they think MBO is effective and very popular method of measuring Performance Appraisal. Using the method of MBO the co. at first establish clearly and precisely defined statement of objectives for the work to be done by an employee and develop an action plan indicating how these objectives are to be achieved. Then allow the employee to implement the action plan and take corrective action whenever necessary.

Though their MBO process is very strong, some factors affect their employee performance evaluation process such as: quality of work, quantity of work, cost control, organizational target, and relationship with peers and subordinates, and for this the co. faces some obstacles like human biasness and communication gap.

The HRD of the co. thinks that their strength of Performance Appraisal is self-assessment or self-appraisal, which is objective oriented, because in the self-assessment, individuals must have clear targets and standards against which they can assess their performance, and evaluate their success of employee performance by increasing productivity.

### ***Novartis (Bangladesh) Limited:***

To measure employee performance the company follows three methods of Performance Appraisal i.e. MBO, 360-degree feedback and SMART. To follow these methods, the company measures employee performance by two ways-

a) Performance Oriented

b) Behavior Oriented.

The employee's routine work or regular job task is measured by performance-oriented way, which is originated from MBO. The criteria of behavior oriented works are communication (self discipline, confidentiality and desk accountability), innovation and creativity, leadership, competent, empowerment, commitment etc.

The model of 360-degree appraisal which are followed by the co. are shown below-

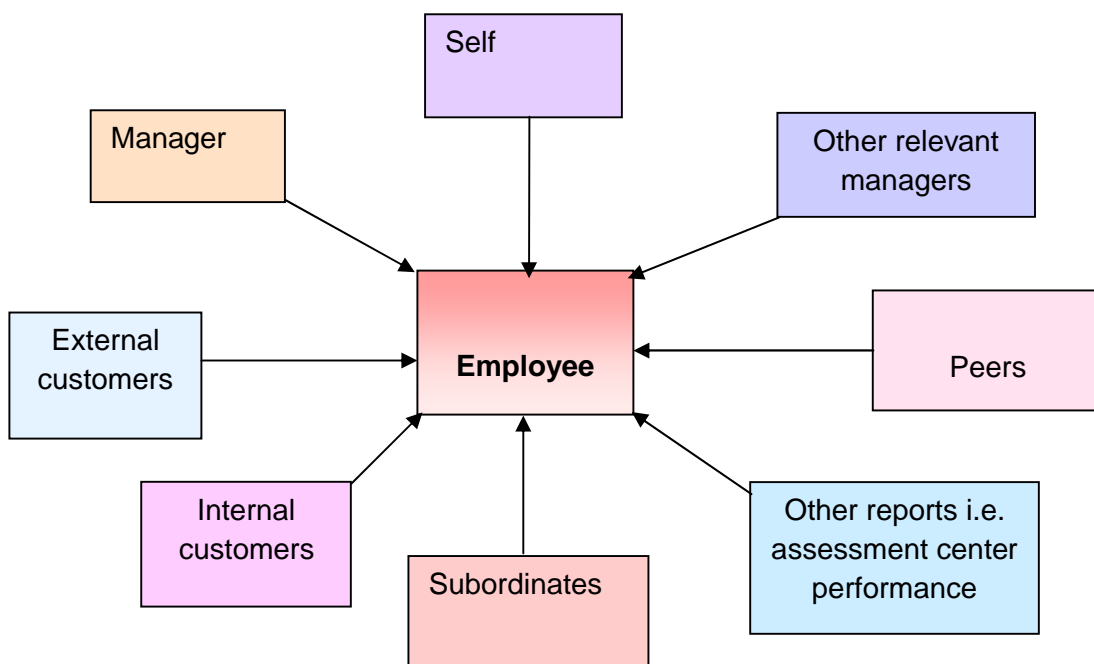


Fig: Model of 360-degree Appraisal.

By 360-degree feedback the HRD of the co. collect and analyze information about employee's performance and from the manager, direct reports, colleagues and sometimes customers and suppliers. The data is usually feedback in the form of rating against various performance dimensions, which is very essential to measure employee performance of an organization. The co. uses 360-degree feedback to overcome biasness, because the HRD doesn't rely on one person's view. The HR dept. also uses it to support learning and development.

The co. follows SMART to measure employee performance. SMART i.e.(Doran, November 1981)

**'S=** Specific/stretching-clear, unambiguous, straightforward, understandable and challenging.

**M=** Measurable-quantity, quality, time, money.

**A=** Achievable-challenging but within the reach of a competent and committed person.

**R=** Relevant-relevant to the objectives of the organization so that the goal of the individual aligned to corporate goals.

**T=** Time framed- to be completed within an agreed time scale'.(Doran, November 1981)

The Co. thinks that the objectives should be SMART, because they are intended to bring about changes. They should cover all the important aspects of the job.

There are some factors which affect employee performance evaluation process such as: quality of work, quantity of work, job knowledge, initiative, planning, cost control, relationship with peers subordinates, superiors, client department etc.

The strength of performance appraisal in their organization is 360-degree feedback.

Because the following benefits are resulted in Novartis by the use of 360 degree feedback:

- 'Increased awareness by senior management that they too have development needs.
- More reliable feedback to senior managers about their performance.
- Increased awareness of and relevance of competencies.
- Individuals get a broader perspective of how they are perceived by others than previously possible.

- Reinforcing the desired competencies of the business.
- Clarified to employee's critical performance aspects.
- Identifying key development areas for the individual, a development and the organization as a whole.
- Provided a clear picture to senior management of individual's real worth.
- Identify strengths that can be used to the best advantages of the business.
- It is supporting a climate of continuous improvement'.(Doran, November 1981)

### COMPARISON OF PERFORMANCE APPRAISAL

| Factors/Attributes                    | ACI Limited   | Square   | Novartis  |
|---------------------------------------|---|--|---|
| <b>Measuring employee performance</b> | Using balance score card/action plan  | Job description  | Task oriented, behavior oriented  |
| <b>Methods of measurement</b>         | Management by objective, 360-degree feedback  | Management by objective  | MBO, SMART & 360-degree feedback  |
| <b>Factors</b>                        | Quality of work, quantity of work, job knowledge, initiative, planning, cost control, relationship with peers, superior, public, client department, managing developing subordinates/affirmative action program | Quality of work, quantity of work, cost control, organizational target | Quality of work, quantity of work, job knowledge, initiative, planning, cost control, relationship with peers, superior, public, client department, managing developing subordinates/affirmative action program |
| <b>Strength</b>                       | Balance score card or performance appraisal tools   | Self assessment  | 360-degree feedback   |
| <b>Obstacle</b>                       | —   | Human biasness communication gap                                       | Cultural environment, employee biasness, communication gap  |
| <b>Evaluation of success</b>          | Achieving the organizational target   | Increasing productivity  | Specific, measurable achievable and target  |

|  |  |  |                  |
|--|--|--|------------------|
|  |  |  | oriented (SMART) |
|--|--|--|------------------|

#### 4.04 EMPLOYEE BENEFIT

##### **Gratuity Scheme:**

In **ACI Limited**, the employee shall be eligible for Gratuity on leaving the Company when the employee complete minimum 8 years of services, not more than 12 years,  $\frac{1}{2}$  months basic salary is payable for each completed year.

In **Square**, an employee shall be eligible for Gratuity, when he or she complete minimum 7 years of services, full months basic salary is payable for each completed year.

In case of **Novartis**, an employee shall be eligible for gratuity, when the employee complete minimum 5 years of services, full months basic salary is payable for each completed year.

The Gratuity Scheme procedure of these three companies is shown by the following figure:

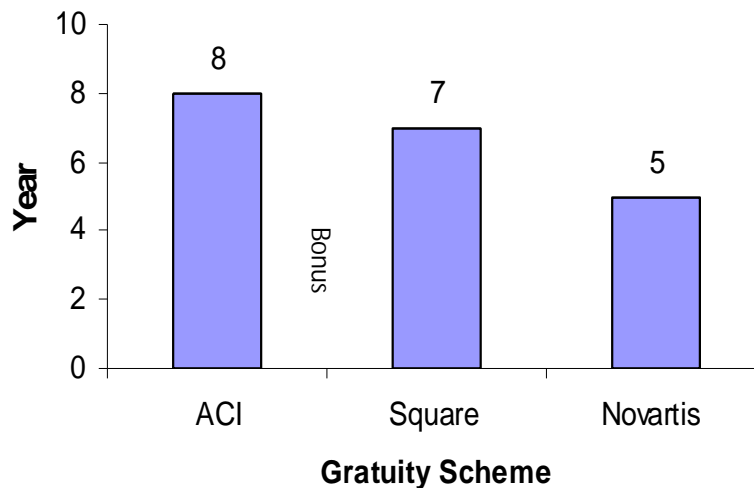


Fig: Procedure of Gratuity Scheme

### ***Provident Fund:***

In **ACI limited** the Co. provides Provident Fund to the employee when he/ she will complete 5 years of services. The employee contributes monthly to the fund at the rate of 10% of his basic salary and the Co. contributes 5% to 10% of the basic salary.

In **Square**, an employee will be eligible for provident Fund on the completion of 5 years of services. In this case the employee's contribution is 14% and company's contribution is 14% of basic salary.

In **Novartis**, the Co. provides provident Fund to the employees when he/ she complete 3 years of services here employee's contribution is 11% and company's contribution is 11% of basic salary. The procedures of Provident Fund provided by the Companies are shown by the following figure:

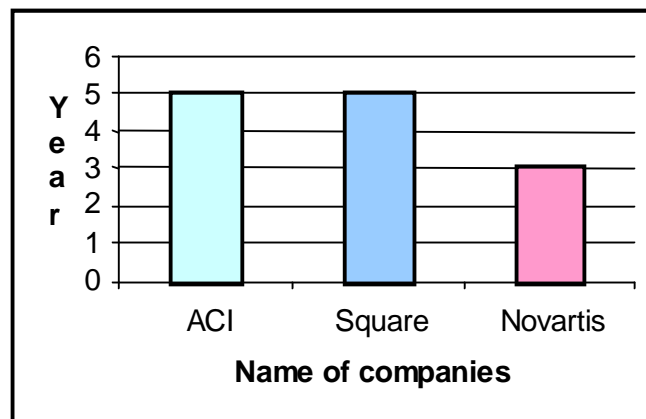


Fig: Procedure of Provident Fund

The contributions of companies in the provident fund are shown by the following Pie-chart:

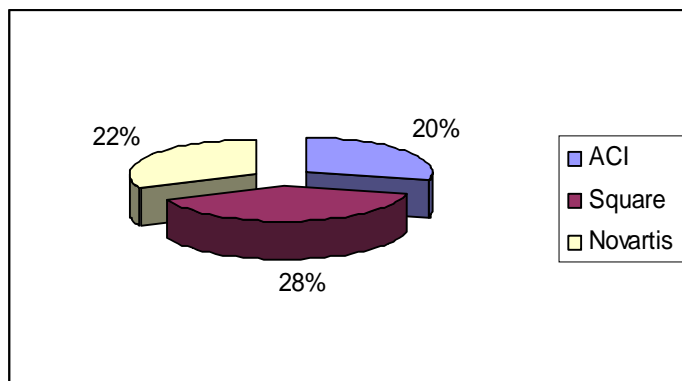


Fig: Contribution in provident fund

***Medical Facility:***

In **ACI Limited**, for hospitalization of the staff, spouse or children in any recognized hospital or clinic; the co. reimburses 50% of the hospitalization and 75% of the total operation charges.

**Square** provides only medical checkup and drugs as medical facility to any permanent employee.

In **Novartis** the medical facility is provided as fixed allowance according to the employee's position and group insurance also cover it. Generally the Co. provides TK. 45,000 per employee per year and in top-level management the Co. provide at actual.

***Festival Bonus:***

The **ACI Limited** provides two festival bonuses. The employees of the Co. irrespective of their religious conviction draw one Festival Bonus during the time of Eid-ul-Fitr. The other Festival Bonus is given to the Muslim employees during the time of Eid-ul-Azha. staff other than Muslim receive bonus according to their Festival and the bonus is paid of an amount equal to one month's basic salary of the employee.

**Square** provides three Festival Bonuses to any permanent employee. All employees of the Company irrespective of their religion draw one Festival Bonus during the time of Eid-ul-Fitr. The other Festival Bonus is given to the Muslim employees during the time of Eid-ul-Azha. Employees other than Muslim receive their respective Festival Bonus. At the last month (December) of the year every employee receives one bonus.

**Novartis** provides three Festival Bonuses to their every permanent employee and every bonus cover equal to the three months of basic salary. All employees of the Co irrespective of their religion draw one Festival Bonus during the time of Eid-ul-Fitr. The other Festival Bonus is given to the Muslim employees during the time of Eid- ul-Azha. Employees other than Muslim receive their respective Festival Bonus and every employee receives one bonus at the end of the year.

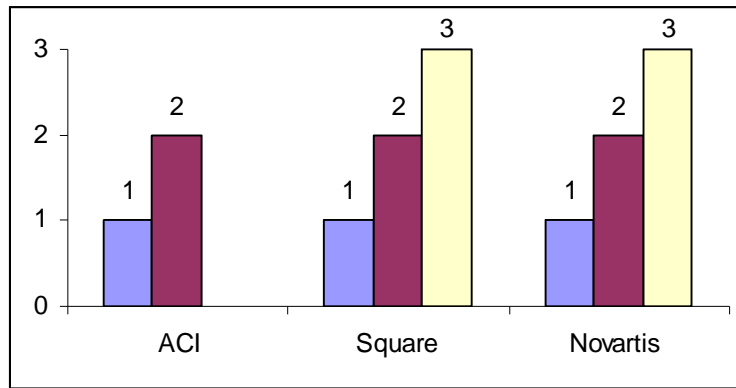


Fig: Procedure of Festival Bonus

- Eid-ul-Fitra
- Respective Festival Bonus
- Year Ended

#### ***Performance Bonus:***

- In **ACI Limited**, performance Bonus is paid based on points achieved in the Action Plan
- The performance Bonus system is target oriented in **Square**. If the Company's sales forces achieve the target, the co. paid the bonus quarterly on the basis of employees post.
- **Novartis** pays performance bonus on the basis of points achieved, which is target oriented. The bonus is paid on yearly basis, which cover 60% of the basic salary.

#### ***Telephone Facility:***

- The telephone facility at residence and cell phone is provided for top-level management in **ACI Limited**.
- **Square** provides telephone facility at residence and cell phone for only managers.
- **Novartis** provides telephone at residence and cell phone for top management and the bill is paid according to their position and they cover the bill by two numbers.

#### ***Canteen Facility:***

- The canteen facility is provided in **ACI Ltd**. The Co. provides Tk. 12 per day for an employee and the employee pays the remaining Tk. 30 per day.



- **Square** provides full free canteen facility for an employee.
- **Novartis** also provides canteen facility, whose Tk. 5 is provided by the employee and rest of the amount is provided by the company.

#### ***Loan Facility:***

- **ACI** provides interest free loan to purchase a car and the maximum loan amount is equal to the 72 times of basic salary.
- **Square** provides loan to an employee, which is 75% of the provident fund.
- **Novartis** provides 80% of provident fund loan. This loan is provide to purchase computer and motorcycle which have to bear 11% interest and the Company also provide car loan, which is interest free.

#### ***Insurance Benefit:***

- The insurance related benefits exist in **ACI Ltd.** that covers Tk. 100,000 to Tk. 200,000 for respective employees.
- **Square** provides insurance related benefit, which is covered by group insurance.
- **Novartis** also provides Group insurance as like as Square.

#### ***Annual Leave:***

- **ACI Limited** provides 24 days as privilege leave and 14 days as sick leave to all management staff in a calendar year. Privilege leave is credited after completion of one-year services.
- An employee of **Square** is credited 14 total working days as an annual leave, 10 days as casual leave and 18 days as sick leave.
- In **Novartis**, every employee is entitled to 21 days as annual leave, 10 days as casual leave and 26 days as sick leave. The employee, who has completed three years of services, is entitled 28 days as recreation leave.

#### ***Maternity Leave:***

- In **ACI Ltd.** the female staff is eligible for maternity leave of 12 weeks. Maximum two maternity leave can be availed for by a married female employee during her inter period of service with the company. The company reimburses 50% of the normal hospitalization charges and 75% of scissoring.

- **Square** provides three months maternity leave for female employee and group insurance cover the hospitalization charges. A married female employee can avail for maximum two maternity leave.
- **Novartis** provides 84 days as maternity leave for their female employees and the company doesn't bear any charges.

**Children Facility:**

- There is no childcare facility in **ACI Limited**, but the company has scholarship scheme for employees' children and there is no kit allowance facility for higher education.
- In **Square**, there is no childcare facility, but they have scholarship scheme for employees' children and kit allowance for higher education.
- In **Novartis**, there was no childcare facility, but they are building a day care center. The company doesn't provide any scholarship for employees' children and any kit allowance for higher education.

**COMPARISON OF EMPLOYEE BENEFIT**

| <b>Factors/Attributes</b>                                 | <b>ACI Limited</b>   | <b>Square</b>   | <b>Novartis</b>  |
|---|--|---|--|
| <b>Gratuity</b>   | ✓  | ✓   | ✓  |
| <b>Process of Gratuity</b>                                | Minimum completion of 8 years of service, not completed 12 years ½ month's basic salary is payable for each completed year | Minimum completion of 7 years of service, full month's basic salary is payable for each completed year. | Minimum completion of 5 years of service, full month's basic salary is payable for each completed year |
| <b>Provident fund</b>                                     | ✓  | ✓   | ✓  |
| <b>Minimum completed years for getting provident fund</b> | 5 years  | 5 years   | 3 years  |
| <b>Contribution in provident fund</b>                     | Employee's contribution 10% and company's 5%   | Employee's contribution 14% and company's   | Employee's contribution 11% and company's  |

|   |   |  |  |
|---|---|--|--|
|   | to 10% of basic salary  | contribution is 14% of basic salary                            | contribution is 11% of basic salary  |
| <b>Medical facility</b>                     | Company reimburse 50% of hospitalization and 75% of total operating charges | Medical checkup and drug                                       | Provided by group insurance  |
| <b>Festival bonus</b>                       | 2 festival bonus  | 3 festival bonus   | 3 festival bonus   |
| <b>Performance bonus</b>                    | For top management  | For top management   | For top management   |
| <b>Cell phone allowance</b>                 | For top management  | For top management   | For top management   |
| <b>Transport allowance</b>                  | Bus, Car  | Bus, Car   | Bus  |
| <b>Canteen Facility</b>                     | Company provides Tk. 12 per day   | Full free  | Employee provides Tk. 5 per day and rest of the amount is paid by the company                            |
| <b>Loan Facility</b>                        | Equal to 72 times of basic salary   | 75% of provident fund  | 80% of provident fund  |
| <b>Insurance Facility</b>                   | Tk. 100,000 to Tk. 200,000  | Group insurance  | Group insurance  |
| <b>Annual Leave</b>                         | Annual leave 24 days, sick leave 14 days                                    | Annual leave 14 days, casual leave 10 days, sick leave 18 days | Annual leave 21 days, casual leave 10 days, sick leave 26 days, 28 days recreation leave (after 3 years) |
| <b>Maternity leave</b>                      | 12 weeks  | 3 months   | 84 days  |
| <b>Children's Facility (Childcare)</b>      | N/A   | N/A  | Starting   |
| <b>Scholarships for employee's children</b> | ✓   | ✓  | ✓  |

|  |     |   |     |
|--|-----|---|-----|
| <b>Kit allowances for higher education</b> | N/A | ✓ | N/A |
| <b>Recreation</b>                          | ✓   | ✓ | ✓   |

## FINDINGS OF ACI LTD. FROM THE COMPARISON WITH SQUARE AND NOVARTIS

### **5.01 Recruitment Process:**

#### Strengths

To compare the recruitment process of ACI Limited with Square and Novartis, I can say that the process of recruitment is well planned in ACI Limited than Square and Novartis. Both internal and external factors are considered in their planning which is not considered in the recruitment planning procedure of Square and the Novartis only considered the internal factors. To analyze these factors the company finds out their job requirement and qualified personnel according to that requirement. So, the strength of recruitment procedure of ACI Limited is their recruitment planning factors.

#### Weaknesses

- The recruitment procedure of ACI Limited is very lengthy. Because when a position becomes vacant the concerned department at first wants to recover it by the remaining staff. When it's not possible, the dept. wants to recruit and analyze the job and person specification. Then, the dept. fills up the Staff Engagement Proposal Form and forward to the HRD. Then HRD evaluate the proposal and forward to the MD and MD approves it. So it is clear that, the Recruitment procedure of ACI Ltd. is very lengthy, which is also in Square. But the recruitment procedure of Novartis is not so lengthy.
- When a position becomes vacant, the Co. at first wants to redistribute the work among the remaining staff, but it hampers the work of that staff and reduces the production or daily works, which affects the Company's target/goal.
- The Company mainly recruits employees from external sources such as advertising, unsolicited applicant files and employment agencies. But the co. doesn't go campus visit that is very wide source of recruitment.

### **5.02 Selection Procedure:**

- From the comparison of selection procedure of ACI Limited with Square and Novartis, I can say that there is no major difference in the procedure of selection among these three companies, more or less are same among these companies.

Actually the selection of ACI Limited is well and for that I can't find out any weakness in this procedure.

### **5.03 Performance Appraisal:**

#### **Strength**

- The strength of performance appraisal in ACI limited is their Balance Score Card (BSC) or Performance Appraisal method like 360-degree evaluation. This 360-degree evaluation is also the strength of Novartis, where as the strength of Square is self-assessment of measuring their employee performance.
- BSC is very effective of measuring employee performance in ACI limited because BSC is strategic tool for aliening all individuals in the organization for the attainment of common goals through shared strategies. It is the collection of objectives and the measures that will be used to judge the achievement of such objectives.
- 360-degree feedback is another important method of Performance Appraisal, Which is the strength of ACI Limited and also in Novartis, because The data from 360-degree feedback can inform strategic and can help to identify critical success factors, which is very important to align the company's internal competencies.

#### **Weaknesses**

- The HR dept. of ACI Limited doesn't face any problem to measure employee performance and they think there is no problem in their Performance Appraisal method. But Square faces some problems such as human biasness and communication gap. Novartis also find out their weakness of measuring their employee performance like, cultural environment, biasness and lack of communication. From the comparison and from the experience of my internship period, I can say, communication gap exists in the employees of ACI Limited.

#### **5.04 Employee Benefit:**

##### **Strength**

- From the comparison of ACI Limited with Square and Novartis I can say that, the medical facility is very well in ACI Ltd. than other two companies, which is also cover maternity. Because ACI limited provides 50% of the hospitalization and 75% of total operation charges. But it is not as good in Novartis and Square as like as ACI Limited.
- Annual leave is also a big opportunity for an employee and the company provides 24 days as annual leave, which is not so enough in Square 14 days, but Novartis provides 21 days as annual leave.

##### **Weaknesses**

- The process of Gratuity in ACI Limited is not so well. ACI provides ½ months basic salary after 8 years of services, where as Square provides full month's basic salary after 7 years and in Novartis full month's basic salary is paid after 5 years of services.
- In case of festival bonus, ACI Ltd. provides only 2 bonuses where as Square and Novartis both are provided 3 festival bonuses.

Actually the company has no any major strength and weaknesses of providing employee benefit than other two companies which I can highlight. The benefits or opportunities more or less are same among those three companies.

## RECOMMENDATION

*Recommendations to overcome the weakness of:*

### **6.01 Recruitment Process**

- The process of recruitment should be short as like as Novartis. Here the co. can take a step i.e. to recruit executive or top-level management, Managing Director will approve the Engagement Proposal Form. But in other recruitment, HRD will be the sole authority. I think this process will be less time consuming and very effective.
- Whenever a position becomes vacant, the co. should not redistribute the work among the remaining staff. They should recruit as early as possible.
- The co. should go campus visit as an external source of recruitment, which will reduce their recruitment cost and have a great opportunity to get qualified employees.

### **6.02 Selection Procedures**

- So far, the selection procedure followed by the company has no lacking as per my analysis and thus I have no recommendation for the selection procedures, but company has to keep updating the procedure.

### **6.03 Performance Appraisal**

- The communication gap, which exists in ACI Ltd. have to reduce. To reduce this gap, the supervisor or senior officer will have to closely supervise or the companies can arrange different type of programs. So that, the employer/employee come closely and reduces their communication gap, which is very effective of measuring employee performance.

### **6.04 Employee Benefit**

- Since Square provides full month's basic salary after 7 years and Novartis also provides full month's basic salary after 5 years in the gratuity scheme, ACI also



will have to update the gratuity scheme procedure. Here, company can provide full month's basic salary instead of  $\frac{1}{2}$  months after 8 years.

- ACI Ltd. doesn't provide any casual leave, whereas Square and Novartis provide 10 days as casual leave. So, the co. can follow it.

## BIBLIOGRAPHY

1. Employee Reward –Michael Armstrong (Second Edition), Retrieved from Page- 367 to 408.
2. A Hand Book of Human Resource management Practice [Engagement Proposal Form]-Michael Armstrong. Retrieved from (Ninth Edition) Page-361-386, 395-453, 477-524, 549-568.
3. Personnel Practice-Malcolm Martin and Tricia Jackson (Second Edition) Retrieved from Page- 52-98, 121-142.
4. Issues in People Management, 360-Degree Feedback and Organizational Culture Page- viii-ix, 16-20.
5. Business Communication-Raymond v. Lesikar, and John d. Pettit (Sixth Edition) Page-397-610.
6. Human Resource and Personnel Management-Lloyd L.Byarn Page-285-309.
7. Company Profile of ACI Limited. (July, 2016). Retrieved from <https://www.aci-bd.com>
8. Company Profile of Square Pharmaceuticals. (July, 2016). Retrieved from <https://career.squarepharma.com.bd> & <https://www.squarepharma.com.bd>.
9. Company Profile of N O V A R T I S. (July, 2016). Retrieved from <https://www.novartis.com>
10. George T. Doran (November, 1981) *Management Review* [SMART Criteria], Retrieved from [https://en.wikipedia.org/wiki/SMART\\_criteria](https://en.wikipedia.org/wiki/SMART_criteria)
11. Human Resource Department of ACI Limited, (July, 2016). Retrieved from <https://www.aci-bd.com>

## **Appendix**

Name of the Organization:

Contact Person:

Designation:

Contact No:

### **Questionnaire on Recruitment**

1. The responsibility of recruitment depends on whom?
2. Which factors mostly influence recruitment?
3. Which External factors mostly influence recruitment?
4. Which internal factors mostly influence recruitment?
5. Is there any steps followed for recruitment planning?
6. Which steps are followed for recruitment planning?
7. Which sources are mostly effective for recruitment?
8. Which sources are available for external recruitment?
9. Which sources are available for internal recruitment?
10. Any other information about recruitment procedure?

### **Questionnaire on Selection**

1. Which procedures are used for selection?
2. Which type of interviews is important for personnel selection?
3. Does any interview rating form or papers are obtained for personnel selection?
4. Which type of approaches is required for personnel selection?
5. Which type of tests is required for section?
6. Which type of assessments is most important for selection?
7. Any other information about personnel selection:

### **Questionnaire on Employee Performance**

1. How do you measure Employee Performance?
2. Does the company use any methods to measure Employee Performance?
3. Which factors affect employee performance evaluation process?

4. What are the strengths of performance appraisal in your organization?
5. What are the obstacles of measuring employee performance?
6. How do you evaluate the success of employee performance?
7. Any other information about employee performance:

### **Questionnaire on Employee Benefit**

1. Do you have any Gratuity Scheme for employees?
2. If yes, what's the procedure of Gratuity Scheme in your company?
3. Do you have Provident Fund for employees?
4. If yes, what is the procedure of Provident Fund?
5. Is there any Medical Facility for employee or his/her family?
6. If yes, which type of facility exists?
7. Which type of Festival Bonus exists in your company?
8. Do you have any Performance Bonus System in your company?
9. If yes, what's the procedure?
10. Is there any Telephone Facility at residence for employee/management staff?
11. What's the procedure to provide Telephone Facility at residence?
12. Is there any Cell Phone Facility for employees?
13. Does the Company provide any Credit Card Facility?
14. If yes, what's the procedure of it?
15. Is there any Canteen Facility for employees?
16. Which type of Transport Facility exists in your company?
17. Do you have any Loan Facility for employees?
18. What is the procedure for giving Loan?
19. Do you have any Insurance Related Benefit for employees?
20. If yes, which type of Insurance Benefit exists?
21. How many days are providing an employee as annual leave?
22. What's the procedure of annual leave?
23. Does the Company provide Maternity Leave and Maternity Pay?
24. What's the procedure of Maternity Leave and Pay?

- 25.** Does the Company provide any Child Care Facility?
- 26.** Is there any Scholarship Scheme for employees' children?
- 27.** Does the Company provide any Kit allowance for Higher Education?
- 28.** Is the Company provides any recreation opportunity?
- 29.** What's the procedure of it?
- 30.** Any other comment: